

PAYMENT BOND FOR PUBLIC BODIES

KNOW ALL PERSONS BY THESE PRESENTS: That

\_\_\_\_\_  
(Name of Contractor)

\_\_\_\_\_  
(Address of Contractor)

a \_\_\_\_\_, hereinafter called PRINCIPAL and  
(Corporation, Partnership, or Individual)

\_\_\_\_\_  
(Name of Surety)

hereinafter called SURETY, are held and firmly bound unto \_\_\_\_\_

\_\_\_\_\_  
(Name of Owner)

\_\_\_\_\_  
(Address of Owner)

hereinafter called OWNER and the United States of America acting through the Rural Housing Service hereinafter referred to as GOVERNMENT, and unto all persons, firms, and corporations who or which may furnish labor, or who furnish materials to perform as described under the Agreement and to their successors and assigns in the total aggregate penal sum of \_\_\_\_\_

\_\_\_\_\_ Dollars (\$\_\_\_\_\_) in lawful money of the United States, for the payment of which sum well and truly be made, we bind ourselves, our heirs, executors, administrators, successors, and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION is such that whereas, the PRINCIPAL entered into a certain Agreement with the OWNER, dated the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_\_, a copy of which is hereto attached and made a part hereof for the construction of:

\_\_\_\_\_  
\_\_\_\_\_

The purpose of this bond is to insure the prompt payment by the Principal of Principal's financial obligations under the Contract Documents.

NOW, THEREFORE, if the PRINCIPAL shall promptly make payment to all persons, firms, and corporations furnishing materials for or performing labor in the prosecution of the work provided for in such Agreement, and any authorized extensions or modification thereof, including all amounts due for materials, lubricants, oil, gasoline, coal and coke, repairs on machinery, equipment and tools, consumed or used in connection with the construction of such work, and for all labor cost incurred in such work including that by a Subcontractor, and to any mechanic or materialman lienholder whether it acquires its lien by operation of State or Federal law, then this obligation shall be void, otherwise to remain in full force and effect.

PROVIDED, that beneficiaries or claimants hereunder shall be limited to the Subcontractors, Suppliers, and persons, firms, and corporations having a direct contact with the PRINCIPAL or its Subcontractors.

PROVIDED, FURTHER, that the said SURETY for value received hereby stipulates and agrees that no change, extension of time, alteration, or addition to the terms of the Agreement or to the work to be performed thereunder or the specifications accompanying the same shall in any way affect its obligation on this BOND, and it does hereby waive notice of any such change, extension of time, alteration, or addition to the terms of this Agreement or to the work or to the specifications.

PROVIDED, HOWEVER, that this BOND is executed pursuant to the provisions of Sections 11-58 and 11-60 of the Code of Virginia as amended, not otherwise in conflict with any legal provisions of the Contract Documents, and all liabilities on this BOND to all such claimants shall be determined in accordance with the provisions of said Sections to the same extent as if they were copied at length herein.

PROVIDED, FURTHER, that it is expressly agreed that this BOND shall be deemed amended automatically and immediately, without formal and separate amendments hereto, upon amendment to the Agreement not increasing the Agreement price more than 20 percent, so as to bind the PRINCIPAL and the SURETY to the full and faithful performance of the Agreement as so amended. The term "Amendment," wherever used in this BOND and whether referring to this BOND, the Agreement, or the loan documents shall include any alteration, addition, extension, or modification of any character whatsoever.

PROVIDED, FURTHER, that no final settlement between the OWNER or GOVERNMENT and the CONTRACTOR shall abridge the right of any beneficiary hereunder, whose claim may be unsatisfied.

WITNESS, WHEREOF, this instrument is executed in \_\_\_\_\_ counterparts, each of which  
(Number)

shall be deemed original, this the \_\_\_\_\_ day of \_\_\_\_\_ 19 \_\_\_\_\_.

ATTEST:

\_\_\_\_\_  
(PRINCIPAL) Secretary

\_\_\_\_\_  
PRINCIPAL

(SEAL)

By \_\_\_\_\_

\_\_\_\_\_  
(Address)

\_\_\_\_\_  
Witness as to PRINCIPAL

\_\_\_\_\_  
(Address)

\_\_\_\_\_  
SURETY

ATTEST:

\_\_\_\_\_  
Witness as to SURETY

By \_\_\_\_\_  
Attorney-in-Fact

\_\_\_\_\_  
(Address)

\_\_\_\_\_  
(Address)

NOTE: Date of BOND must not be prior to date of Agreement.

If CONTRACTOR is partnership, all partners should execute BOND. IMPORTANT: SURETY companies executing BONDS must appear on the Treasury Department's most current list (Circular 570 as amended) and be authorized to transact business in the Commonwealth of Virginia.